

# SENATE BILL REPORT

## HB 2822

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As of Second Reading

**Title:** An act relating to local sales and use tax account deposits and distributions.

**Brief Description:** Concerning local sales and use tax account deposits and distributions.

**Sponsors:** Representative Hunter; by request of Governor Gregoire and State Treasurer.

**Brief History:** Passed House: 4/05/12, 82-15.

**Committee Activity:** Ways & Means: 4/06/12.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Brian Sims (786-7431)

**Background:** Retail sales and use taxes are imposed by the state, most cities, all counties, and by some special purpose districts. Sales and use taxes imposed by the state and local governments are collected by the Department of Revenue (DOR).

Taxpayers remitting sales and use taxes, typically file returns with DOR monthly. Those taxes are initially deposited into the state General Fund. The next day, the local share of those taxes, minus a 1 percent administrative fee, is transferred from the state General Fund to the Local Sales & Use Tax Account. The Local Sales & Use Tax Account retains its own interest earnings.

At the end of the following month, these collected monies, and interest earnings, are then distributed by the State Treasurer to local governments.

**Summary of Bill:** Beginning January 1, 2013, DOR is required to make deposits in the local sales and use tax account on a monthly basis on the last business day of the month in which distributions are made.

The State Treasurer must also transfer an amount equal to any foregone interest from the state General Fund to the Local Sales and Use Tax Account and must also distribute that to impacted entities (counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.